



Cooperative Marketing Association Program

Overview

Through Farm Service Agency's (FSA) Cooperative Marketing Association Program (CMA), marketing cooperatives can obtain FSA marketing assistance loans and loan deficiency payments (LDPs) on behalf of their members. After obtaining a loan or LDP, cooperatives subtract their own administrative charges and distribute the remaining funds to eligible cooperative members. Cooperatives may also pay eligible members additional net proceeds at the end of the marketing season.

The CMA program, begun in 1934 for cotton cooperatives, is funded through USDA's Commodity Credit Corporation.

Note: For more information on marketing loans and LDPs for producers, see the FSA fact sheet "Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments."

Benefits

The CMA program offers participants the same marketing loan and LDP benefits provided to individual eligible producers. Marketing assistance loans and LDPs give cooperatives the financing to store harvested crop production rather than immediately selling the crop. Cooperatives

can then market the commodity throughout the entire marketing season to obtain the highest market value. Obtaining loans and LDPs through cooperatives can provide individual producers more leverage for marketing a commodity.

Eligible Commodities

Warehouse or farm-stored commodities eligible for the CMA program are the same as those eligible for nonrecourse and recourse marketing assistance loans and LDPs.

These commodities are:

- barley,
- canola,
- corn,
- dry peas,
- extra-long staple cotton,
- flaxseed,
- grain sorghum,
- lentils,
- mohair,
- mustard seed,
- oats,
- peanuts,
- rapeseed,
- rice,
- safflower,
- small chickpeas,
- soybeans,
- sunflower seeds,
- upland cotton,
- wheat,
- wool.

The Farm Security And Rural Investment Act of 2002 (2002 Farm Bill) added pulse crops (dry peas, lentils, and small chickpeas) as eligible commodities.

Eligibility Requirements

Participating cooperatives must meet all of the following requirements:

- at least 50 percent of their allocated equity must be owned by active members;
- at least 50 percent of their board members must be active members of the cooperative;
- at least 50 percent of total annual deliveries for each commodity authorized for a loan or LDP must be delivered by members;
- a uniform marketing agreement must be initially approved by FSA and executed with each member involved in a loan or LDP;
- form CCC-846, "Application for Approval of Cooperative Marketing Association for Loan and Loan Deficiency Payments (LDPs)," must be submitted to the Director, Price Support Division, at the address below;
- a balance sheet prepared by an independent certified public accountant must be submitted to FSA. The sheet must be dated within the previous 12 months and show the cooperative has at least \$1 of current assets for each dollar of current liabilities;

-
- and
 - the cooperative must have the capability to electronically transmit program data to FSA.

For more information about this or any other FSA program, contact your FSA local office, or visit FSA's website at: www.fsa.usda.gov

Approved cooperatives must maintain their approved status by annually filing for recertification on form CCC-846-1, "Loan and Loan Deficiency Payment (LDP) Recertification for Approved Cooperative Marketing Associations (CMAs)."

Operating Procedure Requirements

Participating cooperatives must use purchase, pricing, seasonal, and other types of commodity pools in conjunction with loan and LDP activities on the commodity. Separate pools may be established as needed for different quantities of an eligible commodity. A commodity pool is eligible only if:

- all of the commodity in the pool is eligible for loans and LDPs; and
- the commodity was delivered by eligible members covered by an approved uniform marketing agreement.

How to Participate

For an application packet or more information on how to participate in the CMA program, cooperatives and producers should contact:

Director, Price Support Division
USDA, Farm Service Agency
STOP 0512
1400 Independence Avenue, SW
Washington, D.C. 20250-0512
Or call (202) 720-7901

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.